

DOCKET FILE COPY ORIGINAL  
RECEIVED  
OCT 13 1994

OCT 13 1994

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

ED 033 000

ORIGINAL

## Equal Access and Interconnection Obligations Pertaining to Commercial Mobile Radio Services

CC Docket No. 94-54  
RM-8012

**W. Bruce Hanks**  
**President**  
**CENTURY CELLUNET, INC.**  
**100 Century Park Avenue**  
**Monroe, LA 71203**  
**(318) 325-3600**

October 13, 1994

No. of Copies rec'd  
List A B C D E

## TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION AND SUMMARY . . . . .	1
II. THERE IS NO BASIS FOR IMPOSING CMRS EQUAL ACCESS OBLIGATIONS . . . . .	5
A. The Record Demonstrates Overwhelming Opposition to CMRS Equal Access . . . . .	5
B. The Proponents of CMRS Equal Access Offer No Support for Their Arguments . . . . .	9
III. THE COMMISSION SHOULD NOT REQUIRE LEC/CMRS INTERCONNECTION TO BE TARIFFED, BUT SHOULD REITERATE THAT MUTUAL COMPENSATION APPLIES TO BOTH INTERSTATE AND INTRASTATE TRAFFIC . . . . .	14
A. Discrimination May Be Prevented Through Less Intrusive Means than Tariffing . . . . .	14
B. The Commission Should Emphasize that Mutual Compensation Is a Required Element of LEC/CMRS Interconnection . . . . .	16
IV. CMRS-TO-CMRS INTERCONNECTION SHOULD BE LEFT TO THE MARKETPLACE . . . . .	18
V. CONCLUSION . . . . .	20

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

RECEIVED

OCT 13 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of:	)	
	)	
Equal Access and Interconnection	)	CC Docket No. 94-54
Obligations Pertaining to	)	RM-8012
Commercial Mobile Radio Services	)	

REPLY COMMENTS

Century Cellunet, Inc. ("Century") respectfully submits its reply comments in the above-captioned proceeding. For the reasons discussed below and in Century's opening comments, the Commission should not impose equal access obligations on cellular carriers or other CMRS providers. In addition, the Commission should retain the current system of individually negotiated interconnection agreements between LECs and CMRS providers, emphasize that mutual compensation is required for both interstate and intrastate traffic, and allow the marketplace to determine the type and extent of interconnection between CMRS providers.

I. INTRODUCTION AND SUMMARY

In its opening comments, Century explained that cellular equal access would create initial implementation costs of \$13 million for Century alone, along with recurring costs of \$200,000 per year. In light of Century's total revenues (which are roughly one-thirtieth those of the average BOC), its net income from cellular operations (which would cover only two-thirds of equal access implementation costs), and its high per-subscriber costs, such a requirement would

impose a tremendous burden. Notably, this burden would not be offset by consumer benefits, because cellular equal access would neither increase choice nor result in lower long distance rates. Indeed, equal access would force cellular carriers to discontinue toll-free wide-area calling plans, resulting in significant rate increases for many customers, and to delay or forego investment in new technology and greater coverage.

The opening comments of other interested parties overwhelmingly confirm the lack of any rational basis for extending equal access requirements to cellular carriers or other CMRS providers. Almost fifty cellular companies, SMRs, prospective PCS providers, satellite carriers, and LECs opposed any form of CMRS equal access. These parties demonstrated that there is no demand for equal access, the costs of equal access (particularly for smaller and mid-sized carriers) would be substantial and would grossly exceed any benefits, equal access would harm consumers in several respects, and the marketplace will compel carriers to provide equal access if customers demand it in the future.

In contrast, only a few commenters supported equal access -- and many of these (the BOCs and McCaw) plainly did so under protest, since they already are saddled with such requirements. None of the justifications put forth by these parties has merit. Contrary to claims that equal access is necessary to enable IXCs to offer integrated calling

packages, those carriers already can and do combine cellular and landline long distance usage in the absence of equal access. Moreover, their unsupported assertions that equal access may be accomplished at little expense are belied by the substantial evidence put forth by Century and other smaller cellular carriers. Finally, notwithstanding the BOCs' contention that equal access is compelled by principles of regulatory parity, parity between BOCs and non-BOCs is neither required by Section 332 of the Communications Act nor supported by sound policy.

Against this record, the Commission clearly should decline to impose equal access requirements on cellular carriers. However, if it decides to adopt such requirements, notwithstanding the absolute lack of economic, technical, policy, or legal support, it must take several steps to minimize their detrimental impact on customers and on competition. Specifically, it should extend equal access obligations to all CMRS providers, assure that cellular carriers recover their full costs of implementing and providing equal access through access charges and other mechanisms, and curtail the scope and extent of equal access as discussed in Century's opening comments.

Turning to interconnection matters, Century agrees with the vast majority of commenters that LEC/CMRS interconnection should continue to be subject to individually negotiated agreements, rather than federal tariffs. The co-carrier

negotiation process generally has resulted in interconnection agreements that are flexibly tailored to the needs of individual CMRS providers. This process also has avoided the significant administrative costs that would be engendered by a tariffing requirement.

At the same time, a cornerstone of the Commission's co-carrier interconnection policies -- mutual compensation -- has not been properly recognized through the negotiation process. As several commenters note, LECs have resisted mutual compensation, notwithstanding the Commission's clear direction that it is an essential element of good faith negotiations and co-carrier status. Consequently, Century joins these commenters in asking the Commission to emphasize that mutual compensation for interstate and intrastate traffic must be a part of all LEC/CMRS interconnection agreements.

Finally, Century urges the Commission not to impose CMRS/CMRS interconnection requirements. The record demonstrates that the CMRS marketplace is fully competitive, so that CMRS providers will freely offer interconnection if it is economically reasonable and technically feasible. In addition, as many commenters explained, it would be premature to impose interconnection requirements at this stage in the development of the CMRS industry, and doing so might diminish competition and prevent CMRS providers from deploying efficient and innovative technology.

II. THERE IS NO BASIS FOR IMPOSING CMRS EQUAL ACCESS OBLIGATIONS.

A. The Record Demonstrates Overwhelming Opposition to CMRS Equal Access.

Some four dozen parties representing every segment of the mobile industry opposed the extension of equal access requirements to CMRS providers. In doing so, these commenters showed that market conditions do not justify intrusive equal access obligations, that equal access would create tremendous initial and ongoing costs while actually harming consumers, and that there is no demand for equal access.

Market conditions do not support CMRS equal access.

Numerous commenters noted that mobile carriers, unlike landline LECs, do not control bottleneck facilities, and that the Commission has never imposed equal access obligations in the absence of such control. These commenters also explained that the CMRS marketplace is sufficiently competitive that equal access is not necessary to protect consumers, and that additional competition from new PCS and ESMR providers is imminent.<sup>1</sup>

Equal access would impose massive costs on CMRS providers and their customers. In its opening comments,

---

<sup>1</sup> See, e.g., AirTouch at 6-8; Alltel at 3-4, 6-7; Americall at 2; Comcast at 19-23; Dakota Cellular at 2; Florida Cellular at 2; GTE at 2-6, 22-23; New Par at 3-4; Nextel at 5-7; Rural Cellular Association at 4; Vanguard at 3-4.

Century showed that its equal access implementation costs would run roughly \$13 million, or 150 percent of its 1993 net income from cellular operations, and that ongoing administration costs would be approximately \$208,000 per year.<sup>2</sup> Several other carriers concurred that equal access would create substantial cost burdens. For example, GTE explained that its implementation costs would be approximately \$23 million,<sup>3</sup> and TDS reported implementation costs of almost \$4 million and recurring costs of \$780,000 per year.<sup>4</sup> Many of these commenters agreed with Century that equal access would impose particularly harsh burdens on small and mid-sized carriers,<sup>5</sup> due to higher operating costs, older technology, and dispersed, low-density service areas.<sup>6</sup>

---

<sup>2</sup> Century at 4-5.

<sup>3</sup> GTE at 7-9.

<sup>4</sup> TDS at 3-7. A multitude of other carriers documented the tremendous costs of CMRS equal access. See, e.g., AirTouch at 3, 17-18; Alltel at 5-6; Americell at 3-4; CTIA at 14; Comcast at 39; Florida Cellular at 3; Nextel at 11-12; Pacific Telecom Cellular at 4; Rural Cellular Association at 6; Saco River Cellular at 4; Small Market Cellular Operators at 4; Vanguard at 10-11.

<sup>5</sup> Century at 6-7 (showing that larger carriers, such as the BOCs, typically use switches that were capable of providing equal access without major upgrades or replacement, and that these carriers enjoy economies of scale engendered by larger and more geographically concentrated subscriber bases).

<sup>6</sup> See, e.g., Comcast at 30, 33; Dakota Cellular at 3; Highland Cellular at 2; Lake Huron Cellular at 1-2; NTCA at 3; OPASTCO at 3-4; Point Communications at 2; Triad Cellular at 7.



Equal access would produce no benefits, and in fact, would harm consumers. In its opening comments, Century rebutted the Commission's speculation that equal access would increase customer choice and produce lower rates.<sup>7</sup> Numerous other commenters did likewise. With respect to customer choice, several parties reiterated that cellular customers already may access their preferred IXC through 1-800, 950, or calling card arrangements.<sup>8</sup> As Century pointed out, such dial-around methods do not impose significant hardships on customers because of the speed dialing capabilities of many cellular phones.<sup>9</sup>

The record also confirms Century's argument that equal access would not lower rates, and actually would harm consumers in several respects. As an initial matter, equal access would force cellular carriers to discontinue immensely popular toll-free wide-area calling plans, and thereby cause customers to pay at least 20 cents per minute more than they currently pay for calls within such areas.<sup>10</sup> Moreover, equal

---

<sup>7</sup> Century at 7-9.

<sup>8</sup> See, e.g., CTIA at 10; GTE at 7-9, 16; Highland Cellular at 2; Point Communications at 3; SNET Mobility at 9; Western Wireless Consortium at 3.

<sup>9</sup> Century at 7.

<sup>10</sup> See, e.g., Century at 8; Florida Cellular at 2-3; GTE at 9-12; Highland Cellular at 3; Pacific Telecom Cellular at 3-4; Palmer Communications at 5-6; Small Market Cellular Operators at 3-4; SNET Mobility at 9-10; TDS at 13-14; Triad Cellular at 8; Vanguard at 12-14.

access effectively would prevent cellular carriers from negotiating discounted rates from IXC's and passing through the savings to customers or using them to expand toll-free calling areas and build out systems.<sup>11</sup> Similarly, the resources diverted to implementing equal access could otherwise be used for system upgrades, deployment of digital technology, expansion of coverage areas, and more effective competition against new wireless entrants.<sup>12</sup>

There is no customer demand for equal access. In its opening comments, Century pointed out that if customers demanded equal access, then either both carriers in BOC markets would offer this capability, or the BOC licensee would enjoy a greater market share -- yet there is no evidence of such a result.<sup>13</sup> Once again, a multitude of commenters echoed Century's observation that customers simply do not care about equal access to any appreciable extent.<sup>14</sup>

---

<sup>11</sup> See, e.g., Americell at 3; Comcast at 29; Lake Huron Cellular at 3; Nextel at 10; Palmer Communications at 5-6; Rural Cellular Association at 8; SNET Mobility at 7-8; triad Cellular at 8; Vanguard at 11-12.

<sup>12</sup> See, e.g., Century at 9-10; Alltel at 5-6; Comcast at 30; Dakota Cellular at 3-4; Vanguard at 15.

<sup>13</sup> Century at 11 (noting that "in the markets where Century competes against a BOC, the availability of equal access from the BOC is of no competitive significance -- in fact, in many of these markets, Century has a greater market share.").

<sup>14</sup> See, e.g., AirTouch at 3; Americell at 4; CTIA at 11; Dakota Cellular at 4; Florida Cellular at 2; GTE at 15-16; Highland Cellular at 2; Palmer Communications at 7-8; Southwestern Bell at 31-34; Union Telephone at 3.

\* \* \*

The proponents of equal access must bear a heavy burden to overcome this detailed and well-documented record. As discussed below, they have utterly failed to do so.

B. The Proponents of CMRS Equal Access Offer No Support for Their Arguments.

The parties favoring equal access for CMRS providers raise three general arguments. First, they assert that mobile equal access will benefit consumers by increasing choice, lowering rates, and enabling IXCs to combine landline and cellular long distance usage.<sup>15</sup> Second, they claim that equal access may be implemented at minimal cost and with little technical disruption.<sup>16</sup> Third, they contend that, because equal access already extends to the BOCs' cellular affiliates, equal access for all CMRS providers is required by principles of regulatory parity.<sup>17</sup> Notably, the proponents of equal access offer no support for these conclusory assertions, and each of these arguments is entirely lacking in merit.

---

<sup>15</sup> See AT&T at 3, 6; Allnet at 2-3; California PUC at 2; GSA at 3; LDDS at 3-4 (claiming that cellular carriers deny access to IXCs), MCI at 2-3; Puerto Rico Telephone Co. at 1-2; TRW at 3; WilTel at 8-9.

<sup>16</sup> See AT&T at 8; Allnet at 3; California PUC at 2-3; and New York DPS at 3-4.

<sup>17</sup> See Ameritech at 1; Bell Atlantic at 4-5; BellSouth at 34; NYNEX at 3-7; TRW at 3 (urging equal access for all CMRS offerings except its own mobile satellite services).

Equal access will not benefit consumers. None of the alleged consumer benefits of equal access will come to pass. Equal access will not increase access to IXC networks because, as explained fully above,<sup>18</sup> cellular carriers do not block 1-800, 950, or calling card dialing arrangements used to gain connection to preferred IXCs. Nor will equal access suddenly enable IXCs to offer calling plans that combine landline and cellular long distance usage, because those carriers already can and do offer such plans.<sup>19</sup> AT&T's assertions in this regard are particularly puzzling,<sup>20</sup> because its FCC tariffs contain a multitude of calling plans under which calling card usage from all sources, including cellular-originating traffic, is combined for purposes of calculating discounts.<sup>21</sup>

Similarly, equal access will not lower costs. Rather, it will raise costs to consumers by forcing the discontinuance of toll-free wide-area calling plans and preventing cellular carriers from obtaining volume discounts

---

<sup>18</sup> See pages 6-7 & n. 8, supra.

<sup>19</sup> See Century at 8; Vanguard at 17.

<sup>20</sup> AT&T at 6 (claiming without explanation that it cannot plan and offer service on a uniform nationwide basis in the absence of equal access).

<sup>21</sup> See, e.g., AT&T Tariff F.C.C. No. 1, Sections 3.2.1.I.1, 3.2.1.I.1(b) (Call Home Option and Card Option), 3.2.1.I.5 (Small Business Option), 3.2.1.I.6 (Card Only Plan No. 1), 6.12.3.D.1.(b).III.2 (DNS Card Calling Option Discount), 6.B.1.B.5,6 (NPA Discount and Volume Discount).

from IXCs. In addition, IXCs currently do not offer lower rates to cellular customers in equal access areas, even though their access costs are lower than in the landline marketplace. Consequently, there is no reason to believe universal cellular equal access would spur IXCs to offer price breaks to cellular customers.

Equal access would require massive technical upgrades and engender tremendous implementation expenditures and ongoing administrative costs. The assertion that equal access would impose minimal costs and technical disruption cannot be credited in light of the substantial evidence submitted by Century and others. Whatever the record with respect to equal access implementation by the BOCs' affiliates, small and mid-sized carriers such as Century operate in a vastly different environment. Century and a multitude of similarly situated carriers explained at length that equal access implementation and administration would impose extreme burdens on smaller and mid-sized providers, requiring the replacement of many switches, deployment of expensive software upgrades, retraining of personnel, and installation of unnecessary trunks.<sup>22</sup> For BOCs with annual revenues of ten to fifteen billion dollars, such expenses might not be considered unreasonable. For carriers one-thirtieth that size, equal access would be a crushing burden.

---

<sup>22</sup> See page 6 & fns. 5 and 6, supra.

Regulatory parity does not compel CMRS equal access. As Century explained at length in its opening comments, Section 332 of the Communications Act does not compel regulatory parity between BOC and non-BOC cellular carriers:

Equal access obligations were imposed on the BOCs' cellular operations by the Modified Final Judgment, which was a voluntarily-entered settlement of antitrust charges stemming from past conduct by the Bell System. In imposing those obligations, the Justice Department and antitrust court did not consider the broader public policy ramifications of cellular equal access or the impact of such requirements on the remainder of the cellular industry, including smaller carriers. The Commission must not allow an antitrust consent decree to dictate regulatory policy for the diverse and intensely competitive CMRS industry.<sup>23</sup>

Moreover, in adopting Section 332, Congress nowhere suggested that it intended to extend unnecessary and burdensome requirements to an entire industry simply because the very largest members of that industry are saddled with such obligations by judicial decree. In the absence of explicit Congressional intent, such a fundamental and detrimental change in policy should not be presumed necessary.<sup>24</sup>

\* \* \*

---

<sup>23</sup> Century at 12-13. Century also pointed out that even if regulatory parity between BOC and non-BOC affiliates were a potential justification for extending equal access requirements to some cellular carriers, this rationale would rarely apply to a smaller carriers like Century, which compete against BOCs only infrequently. *Id.* at 13 n.15.

<sup>24</sup> See SNET Mobility at 6-7; TDS at 16; Vanguard at 17 (noting that if regulatory parity is used to justify equalizing treatment between BOC and non-BOC cellular carriers, it also compels extension of equal access to all other similarly situated CMRS providers).

In short, the speculative and unsupported arguments in favor of CMRS equal access cannot be given credence in light of the detailed and well-founded opposition expressed by Century and a multitude of other parties. The record overwhelmingly establishes that equal access is unjustifiable under any rational cost/benefit standard, would fail to achieve the Commission's policy goals, and would affirmatively disserve the public interest. The most prudent course is for the Commission to disavow its equal access proposal and allow the marketplace to determine the best allocation of resources by mobile service providers.

If the Commission nonetheless decides to move forward with CMRS equal access, it must ameliorate the undeniably detrimental effects on mobile service competition and consumer welfare by tailoring the equal access obligation as recommended by Century in its opening comments. Specifically, it should impose identical obligations on all broadband CMRS providers<sup>25</sup>; adopt an expansive and uniform

---

<sup>25</sup> Just as there is overwhelming opposition in the record to a cellular equal access requirement, there is widespread support for extending equal access obligations to all CMRS providers if such obligations are imposed on cellular carriers. Numerous commenters agreed that a disparate cellular equal access requirement would grievously injure cellular customers and preclude cellular carriers from competing effectively in the CMRS marketplace. See, e.g., AirTouch at 8-9; Ameritech at 2; Bell Atlantic at 7-10; Florida Cellular at 2; McCaw at 26-30; New Par at 6-7; Pacific Bell at 3; Rochester Telephone at 4; Southwestern Bell at 45-46; Triad Cellular at 9; Western Wireless Consortium at 4-5.

"local service area" for all affected services; make equal access mandatory only in the 50 largest MSAs and equivalent PCS service areas; require equal access outside those areas only upon bona fide request and give carriers in such areas two years to satisfy such requests and an opportunity to seek waivers; and establish a mechanism that recovers from IXCs all costs of equal access implementation and administration, as well as the costs of originating and terminating long distance calls.<sup>26</sup>

III. THE COMMISSION SHOULD NOT REQUIRE LEC/CMRS INTERCONNECTION TO BE TARIFFED, BUT SHOULD REITERATE THAT MUTUAL COMPENSATION APPLIES TO BOTH INTERSTATE AND INTRASTATE TRAFFIC.

---

A. Discrimination May Be Prevented Through Less Intrusive Means than Tariffing.

Century concurs with the Commission that all CMRS providers should be given the opportunity to interconnect with the public switched telephone network on a reasonable and non-discriminatory basis. At the same time, however, Century believes this goal may be achieved through measures short of mandating federal LEC/CMRS interconnection tariffs. As the vast majority of commenters pointed out, such tariffs would raise two significant concerns.

First, tariffs could constrain the flexibility of LECs and CMRS providers to enter mutually beneficial interconnection agreements suited to the particular needs of

---

<sup>26</sup> Century at 15-19.



individual service providers.<sup>27</sup> The diversity of CMRS providers and services will require a variety of technical and economic interconnection arrangements. A global interconnection tariff might artificially constrain the universe of possible arrangements, and consequently prevent CMRS providers from obtaining necessary capabilities.

Second, numerous commenters stated that a federal interconnection tariffing requirement likely would delay the availability of interconnection and increase administrative costs for LECs.<sup>28</sup> As a result, federal tariffing could defer the introduction of new services and artificially decrease the affordability of CMRS offerings.

At the same time, Century understands the desire to assure that new CMRS providers do not suffer unreasonable discrimination.<sup>29</sup> It disagrees, however, that tariffing is necessary to prevent discrimination. Rather, as recommended by PCIA,<sup>30</sup> the Commission can assure equitable treatment by requiring LECs to file individual interconnection agreements

---

<sup>27</sup> See, e.g., AirTouch at 20-22; Ameritech at 3; AT&T at 12-13; Bell Atlantic at 14-15; BellSouth at 6-9; CTIA at 17-18; Dial Page at 6; GTE at 39-41; McCaw at 23; NYNEX at 11-12; OneComm at 20; PCIA at 11-12; RAM Mobile Data at 7.

<sup>28</sup> See, e.g., Alltel at 7; APC at 5; CTIA at 22-23; Dial page at 6; GTE at 42; PCIA at 11; RAM Mobile Data at 7; Southwestern Bell at 63.

<sup>29</sup> See California PUC at 3; GSA at 6; NCRA at 18; Puerto Rico Tel. Co. at 2-3.

<sup>30</sup> See PCIA at 12-13.

and to make interconnection available under the terms and conditions therein to all similarly situated CMRS providers. Such an approach would avoid most of the burdens of tariffing (yet be equally effective in deterring discrimination), as long as the Commission does not impose filing fees or require that interconnection agreements comply with a particular format. In addition, to protect proprietary information, the Commission should mandate that all information that could be used to identify the CMRS provider be deleted from the filed agreements.

**B. The Commission Should Emphasize that Mutual Compensation Is a Required Element of LEC/CMRS Interconnection.**

---

Mutual compensation has been a key element of the Commission's interconnection policies at least since the 1987 Interconnection Declaratory Ruling.<sup>31</sup> The Regulatory Parity Second Report and Order and the Commission's rules reiterate the importance of this principle by explicitly stating that CMRS providers and LECs are entitled to mutual compensation for terminating traffic that originates on each other's networks.<sup>32</sup> Nonetheless, because mutual compensation has been resisted by many LECs, Century agrees with the numerous

---

<sup>31</sup> 2 FCC Rcd 2910 (1987), recon., 4 FCC Rcd 2369 (1989).

<sup>32</sup> 9 FCC Rcd 1411, 1498 (1994) (stating that "LECs shall compensate CMRS providers for the reasonable costs incurred by such providers in terminating traffic that originates on LEC facilities"); 47 C.F.R. § 20.11(b).

commenters that urged the Commission to re-emphasize the mandatory nature of mutual compensation for both interstate and intrastate traffic.<sup>33</sup>

The Commission's bedrock holding that CMRS providers are co-carriers, and as such are entitled to reasonable interconnection following good faith negotiations, applies without regard to the jurisdictional nature of the traffic. Mutual compensation, in turn, is a fundamental element of co-carrier status, reasonable interconnection, and good faith negotiations. It recognizes that CMRS providers perform switching functions when terminating LEC-originating traffic, just as landline LECs do when traffic flows in the opposite direction.<sup>34</sup> Although the levels of compensation for intrastate traffic may generally be left to the states, the compensation principle must be universal.<sup>35</sup>

Firm action by the Commission is necessary now, to assure that future CMRS interconnection negotiations proceed smoothly. If the Commission does not provide advance

---

<sup>33</sup> See APC at 4-5; Columbia PCS at 5-7; McCaw at 25; MCI at 12; Nextel at 17-18; PCIA at 14-15; Point Communications at 6-7; Western Wireless Consortium at 7.

<sup>34</sup> Mutual compensation also places CMRS providers on par with independent telephone companies, which receive mutual compensation when terminating traffic that originates in neighboring BOC territories.

<sup>35</sup> Of course, if intrastate mutual compensation is set at levels that impede interstate interconnection, the Commission would have the authority to take steps to remedy the situation. See Interconnection Declaratory Ruling, 2 FCC Rcd at 2912.

guidance on this matter, it is likely to be deluged with complaints from dissatisfied CMRS providers.

IV. CMRS-TO-CMRS INTERCONNECTION SHOULD BE LEFT TO THE MARKETPLACE.

In the rapidly evolving, robustly competitive CMRS marketplace, regulatory intrusion should be minimized unless it would clearly serve some compelling purpose. Century respectfully submits that no such purpose would be advanced by mandating interconnection between CMRS providers.

In the absence of control over bottleneck facilities, the marketplace will assure the availability of whatever level of interconnection is needed to supply the services desired by consumers.<sup>36</sup> Indeed, given the nascent status of most CMRS services and the rapid pace of technological change, any interconnection requirement would be at best premature, and at worst, inimical to the flexibility and responsiveness needed to meet evolving consumer demands.<sup>37</sup> Accordingly, the Commission should decline to adopt CMRS-to-CMRS interconnection requirements and should exercise its

---

<sup>36</sup> See, e.g., Airtouch at 22-23; BellSouth at 24; Comcast at 17; McCaw at 6-9; New Par at 22-23; NYNEX at 13-14; RAM Mobile Data at 6-7; Rochester Telephone at 10-11; Southwestern Bell at 61-62.

<sup>37</sup> See AMTA at 14; Bell Atlantic at 15-16; CTIA at 33; Nextel at 18; OneComm at 21; PCIA at 16; Southern Co. at 4-5.

authority under Section 332 of the Act to preempt any such state requirements.<sup>38</sup>

The Commission also should specifically deny the demand of cellular resellers to be given a right to interconnect switches into the networks of cellular licensees. Such interconnection would raise a multitude of technical and economic issues. As McCaw pointed out, it would require the unbundling of air time and switching, which is technically impracticable and redundant in light of the general resale obligation.<sup>39</sup> Interconnection also would give resellers access to proprietary cellular system technology without the corresponding burdens of managing or building the cellular infrastructure, and would raise the specter of resellers demanding changes in cellular networks that are necessary to accommodate their switches.<sup>40</sup> The cellular market already is fully competitive, and even if the Commission retains doubts in this regard, new competition from ESMRs and PCS providers will eliminate any conceivable consumer benefit engendered by interconnection of switch-based cellular resellers.<sup>41</sup> Such

---

<sup>38</sup> See, e.g., McCaw at 18-20 (preemption is necessary to assure seamless nationwide service); New Par at 23; Southwestern Bell at 68-69.

<sup>39</sup> McCaw at 14-17; see also Comcast at 18 (disaggregating switching and transport would yield no consumer benefit but would impose draconian costs).

<sup>40</sup> AirTouch at 24-25.

<sup>41</sup> See, e.g., GTE at 46-47.

interconnection is not mandated by Section 332 and would be directly contrary to the public interest.

V. CONCLUSION

The record before the Commission overwhelmingly demonstrates that there is no factual, legal, or policy basis for extending landline equal access obligations to CMRS providers. The record similarly shows near-consensus that federal tariffing of LEC/CMRS interconnection would be imprudent and that the Commission should emphasize that mutual obligation applies with respect to both interstate and intrastate traffic. Finally, the record persuasively establishes that it would be premature, and likely harmful, to impose interconnection obligations on any CMRS providers. In particular, cellular carriers should not be required to interconnect with switches owned by cellular resellers.

Respectfully submitted,  
CENTURY CELLUNET, INC.

By: W. Bruce Hanks  
W. Bruce Hanks  
President  
CENTURY CELLUNET, INC.  
100 Century Park Avenue  
Monroe, LA 71203  
(318) 325-3600

October 13, 1994

CERTIFICATE OF SERVICE

I hereby certify that on this 13th day of October, 1994,  
I caused a copy of the foregoing "Reply Comments" to be hand-  
delivered to the following:

International Transcription Services, Inc.  
2100 M Street, NW  
Suite 140  
Washington, D.C. 20037

Robin B. Walker  
Robin B. Walker